

APPENDIX. Hospital Fixed-Effects Regression Results on Whole Sample

	Main Model	
(Standard errors in parentheses)	Log(Operating Cost)	Log(Patient Revenue)
Overall HMO penetration	-4.06** (1.11)	-4.15** (1.19)
X 2nd period (2000-2005)	1.55** (0.50)	2.09** (0.52)
HMO Herfindahl index	0.26 (0.29)	0.40 (0.27)
X 2nd period (2000-2005)	-0.31 (0.33)	-0.49 (0.32)
HMO for-profit share	-0.12 (0.14)	-0.21 (0.14)
X 2nd period (2000-2005)	0.01 (0.21)	0.04 (0.22)
Hospital Herfindahl index	1.72+ (0.90)	1.94+ (1.03)
X 2nd period (2000-2005)	4.08** (0.50)	5.24** (0.56)
Log(Medicare case mix index)	0.37** (0.07)	0.36** (0.07)
Log(Total hospital beds)	0.21** (0.02)	0.21** (0.02)
Wage index	0.20** (0.06)	0.19** (0.07)
Percent Medicare discharges	-0.15* (0.06)	-0.15+ (0.08)
Percent Medicaid discharges	0.07+ (0.04)	0.10* (0.04)
Medicaid financial pressure index	-0.10** (0.04)	-0.13** (0.04)
Medicare financial generosity index	0.10** (0.02)	0.13** (0.03)
For-profit hospital	-0.04 (0.02)	-0.02 (0.03)
Government hospital	-0.03 (0.02)	-0.05* (0.02)
Member of a system	-0.02** (0.01)	-0.01 (0.01)
Log(per capita income)	0.07 (0.05)	0.06 (0.06)
Percent for-profit hospitals within 15-mile radius	0.05 (0.03)	0.09* (0.04)
Percent government hospitals within 15-mile radius	-0.07+ (0.04)	-0.07 (0.05)
Constant	15.92** (0.50)	15.97** (0.59)
Observations (# hospital-year pairs)	25207	25115

Note:

Robust standard errors in parentheses

+ significant at 10%; * significant at 5%; ** significant at 1%

Year dummies are included